

<ARTICLE\_SECTION\_TEXT>: Highlights

<ARTICLE\_HEADLINE>: Aruba Proposes to Introduce Turnover Tax at Import on 1 June 2023<ARTICLE\_TEXT>: On 11 November 2022, the Minister of Finance, Economic Affairs, and Culture proposed adopting turnover tax at import as of 1 June 2023. Currently, the turnover tax combines three indirect taxes, namely tax on business turnover (BBO), health tax (BAZV) and Public Private Partnership projects additional funding tax (BAVP).

Currently, Aruba does not impose turnover tax on the import of goods. As the combined BBO/BAVP/BAZV rate rises from 6% to 7% effective 1 January 2023 (see Aruba-1, News 3 October 2022), the financial temptation to import products on one's own account is stronger.

The Minister proposed a right of deduction for business owners in relation to turnover tax charged on the import of commercial products to go along with the implementation of turnover tax on the import of goods. The government notes that because of this right of deduction, imposing turnover tax on the import of commodities should not result in higher costs for supermarkets and other retailers who resell these goods.

Note: Industries such as hotels, restaurants, and construction companies that do not buy and sell commercial items, will not be able to claim the BBO/BAVP/BAZV assessed at import. As a result, costs will rise for companies operating in these areas. Businesses in the abovementioned industries are advised to stock up on materials and other necessities before the adoption of BBO/BAZV/BAVP at import on 1 June 2023.

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